

Michael F. Loy Bexar Communications

Notice of Intent to Invoke Administrative Sanctions Under the Kansas Securities Act

DATE: June 20, 2001 RESPONDENTS: Michael F. Loy of Pittsburg, Kansas; Bexar Communications of Kimberling City, Missouri ORDER: Notice of Intent to Invoke Administrative Sanctions Under the Kansas Securities Act issued to respondents for allegedly using false or misleading statements to obtain a \$25,000 investment from a Kansas resident for the research and development of a "virtual internet" software program for pharmaceutical companies.

Default Order to Invoke Administrative Sanctions

DATE: September 19, 2001 RESPONDENTS: Bexar Communications of Kimberling City, Missouri and Michael F. Loy of Pittsburg, Kansas and Kimberling City, Missouri ORDER: Cease & Desist and Fine of \$5,000 Bexar Communications and Michael F. Loy ("Loy") were ordered to Cease and Desist from the unlawful offer or sale of securities by the Kansas Securities Commissioner ("Commissioner"). Respondent Loy was also fined \$5,000 by the Commissioner. Loy is a certified public accountant. During March 2000, Loy fraudulently offered and sold an investment contract to a Kansas resident. For \$25,000, the investor was promised a return of 10% per annum, paid quarterly. The investor's funds were to be used for the research and development of a "virtual Internet" software program. Despite Loy's representations to the investor, the funds were placed in an account for Bexar Communications and were expended for Loy's personal use. Moreover, Loy misrepresented to the investor that Bexar Communications had a business relationship with a Texas pharmaceutical corporation. It appears that no such relationship existed.

Criminal Arrest

DATE: March 19, 2002 DEFENDANT: Michael F. Loy of Pittsburg, Kansas CHARGES: Loy was arrested on charges of 1 count securities fraud and 1 count theft by deception. In March 2000, Loy offered and sold an investment contract to a Kansas resident for \$25,000. Loy used the investment funds for his personal use. COURT: Cherokee County, Kansas

Notice of Intent to Invoke Administrative Sanctions

DATE: March 25, 2002 RESPONDENT: Michael F. Loy of Pittsburg, Kansas

ORDER: Commissioner alleges Mr. Loy has violated an Order of the Commissioner Under the Kansas Securities Act by failing to pay a fine in the amount of \$5,000. Loy was previously served with an Order to cease and desist with the offering or selling of securities in the State of

Kansas and fined \$5,000 based on allegations that Loy fraudulently offered and sold an investment in a "virtual Internet" software program.

Order of Sanctions

DATE: August 2, 2002 RESPONDENT: Michael F. Loy of Pittsburg, Kansas

ORDER: On March 25, 2002, the Commissioner issued a Notice of Intent to Invoke Administrative Sanctions Under the Kansas Securities Act ("Notice") against Mr. Loy, alleging he violated an Order of the Commissioner Under the Kansas Securities Act by failing to pay a fine in the amount of \$5,000. Loy was previously served with an Order to cease and desist with the offering or selling of securities in the State of Kansas and fined \$5,000 based on allegations that Loy fraudulently offered and sold an investment in a "virtual Internet" software program. Loy was personally served with the Notice but failed to contest the allegations. The Commissioner adopted the allegations as true and ordered Loy barred from association with any broker-dealer or investment adviser registered in the state.

Notice to Investors: If you are not a resident of Kansas and have been affected by actions that are similar to those described in this synopsis, you should consider contacting your state securities regulator for assistance. To locate your securities regulator, go to the [North American Securities Administrators Association](#) website. If you choose to contact your state securities regulator, please inform him or her of the action taken by the State of Kansas.